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thriftless farmers whose standard of living never looks to the future. As a matter of observation, thrifty communities spend more money, in the long run, than thriftless communities for the sufficient reason that they have more money to spend. But even with their larger expenditures, so long as they remain thrifty a larger proportion of their money is spent for producers' goods than is true in a thriftless community.

It ought not to be necessary to add that in advocating a *higher degree* of thrift one is not advising people to spend *all* their money for producers' goods and *none* for consumers' goods. If it were the writer's opinion that any community was going too far in this direction, he would feel justified in advising a lower degree of thrift, even at the risk of being accused of advising the cessation of *all* thrift. The writer does not know of any such community. It seems that there is everywhere too little rather than too much thrift. He therefore feels justified in advocating more thrift, even at the risk of being accused of advising people to invest *all* their money and consume nothing.

The foregoing remarks are not altogether without point. In Professor Moulton's interesting appraisal of my recent book, in the *Journal of Political Economy* for April, 1920, he accuses me of inconsistency in advocating both a high standard of living and a high degree of thrift, and, besides, seems to imply that my ideas on thrift would lead to a cessation of all buying of consumers' goods. I hope that I have shown that this does not involve any lack of consistency and that there is such a thing as a wise balance in the spending of money. I have counted eight other cases in Professor Moulton's appraisal where he has shown a similar inability to see things in their larger relations, but one illustration is enough.

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A COMMENT

Professor Carver's definition of the standard of living, as given above, is, of course, a legitimate one, and everyone will be grateful to him for clearing up an obscurity in his treatise. I had judged from his discussion of the importance of maintaining a high standard of living as a means of raising wages, that he was thinking of a high standard of living as synonymous with high consumption, for he specifically refers to the desire of the individual for consumption goods (p. 395) and does not mention the taking out of insurance, etc.

H. G. MOULTON